to the answer to Unstarred Question 1066 given in the Rajya Sabha on the 4th May, 1989 and state :

(a) whether the aerial seeding for afforestation has been successfully conducted in Andhra Pradesh; and

(b) if so, what are the details thereof with types of seeds used for aerial seeding for afforestation in Andhra Pradesh ?

THE MINISTER OF ENVIRONMENT AND FORESTS (SHRI Z. R. ANSARI) : (a) and (b) The aerial seeding operations are in progress and upto end of June 1989 an area of 4,500 hectares has been aerially seeded in Mahboob Nagar and Kurnool districts of Andhra Pradesh. The seeds of *Acacia auribulifomis, Acacia nilctica, Aza-di rachta indica, Pongamia glabra, Prosopis julifiora, Tamrindus indica, Dalbergia sissoo and Stylosanthes hamata* etc. species have been used.

Supply of Yarn to Handloom Weavers at a subsidised rate

213. SHRI MOHAMMED AMIN : Will the Minister of TEXTILES be pleased to state :

(a) whether there is any proposal under Government's consideration to supply yarn to the handloom weavers at a subsidised rate;

(b) if so, the details thereof; and

(c) the quantity of yarn supplied/ to be supplied by Government to the States at a subsidised rate for the handloom weavers ?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (KUMARI SAROJ KHAPARDE) : (a) Currently there is no proposal under the consideration of Government for supply of yarn to weavers at subsidised prices.

(b) and (c) Do not arise.

Problems of Handloom Weavers

214. SHRI MOHAMMED AMIN : Will the Minister of TEXTILES be pleased to state :

(a) whether Government are aware of the problems of handloom weavers;

(b) if so, what are the details thereof; and

(c) what steps have been taken by Government to redress their problems ?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (KUMARI SAROJ KHAPARDE) : (a) Yes, Sir.

(b) The main problems which have been confronting the handloom weavers in the country are rise in prices of cotton yarn and the inability of the handloom sector to market its products due to competition from the powerloom sector.

(c) (i) Government have taken a number of steps to ensure adequate supply of yarn to the handloom sector at reasonable prices, such as Hank Yran Obligation Scheme, Loan Assistance to the National Cooperative Development Corporation for setting up of Weavers' Cooperative Spinning Mills and expansion of capacity in the existing mills to build up captive production for the handloom sector, setting up of the National Handloom Development Corporation (NHDC) with the main aim of supplying yarn to the handloom sector. In addition certain corrective measures have also been taken to check the rise in prices of cotton hank yarn by, *inter-alia*, suspending the export of staple cotton and of hank yarn below 60s counts. Recently a decision has been taken to set up yarn depots by NHDC for supply of hank yarn at competitive prices to handloom weavers.

(ii) A number of fiscal concessions have been provided to the handloom sector in order to mitigate the hardship faced by it *vis-a-vis* the powerloom sector. Further, 22 items have been reserved for exclusive production in the handloom sector through the Handloom (Reservation of Articles for Production) Act, 1985. The Act and Orders issued thereunder have however been stayed by Supreme Court of India. Vigorous steps are being taken to vacate the stay.

(iii) Government of India have constituted a high powered Committee to review the progress of implementation of the Textile Policy, 1985. The Committee is also expected to make an assessment as to how far various measures devised in the policy for protecting of handloom have been effective in achieving their objectives.

Extension of Line of Credit by Exim Bank of USA to its Indian Counterpart

215. SHRI GOPALA RAO RAO : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Export-Import Bank of the United States has agreed to extend a line of credit of US $ 10 million to Exim Bank of India; and

(b) if so, the details of the agreement and the rate of interest to be paid by the Exim Bank of India to the US Bank on the credit amount?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Yes, Sir.

(b) The broad outline of the agreement is as under :

1. Name of the Lender	The Export-Import Bank of the United States Washington DC.
2. Borrower	Export-Import Bank of India
3. Purpose	To finance third country imports in overseas projects being executed by Indian exporters.
4. Eligible end-users	Indian exporting companies executing overseas projects.
5. Currency	US Dollars
6. Amount of Credit	US$ 10 million
7. Effective date of line of credit agreement	June 12, 1989
8. Rate of Interest	Base rate plus margin.
	Base Rate: OECD consensus rate for India prevailing at the time of authorisation of each sub-loan (currently the rate is 8.3%).
	Margin: As may be determined by Exim Bank of India.
9. Repayment	In not exceeding 10 equal successive Semi Annual Instalments.